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DO CONSUMERS CARE ABOUT BUSINESS ETHICS?

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Do consumers care about business ethics?

Numerous studies support the idea of ethical consumerism by showing that people care about business ethics and want to buy ethical products. However, consumers do not seem very eager to back up those claims at the registers. This issue has attracted the attention of academics and practitioners, and has become known in literature as the ethical consumption attitude behavior gap.

The purpose of this work is two-fold. Firstly, it aims to bring a new perspective to the issue by setting it in a context of evolutionary theories of behavior and psychological theories of motivation. Secondly, it draws attention to the problem of social desirability bias in ethical consumerism research, and aspires to offer a more reliable study by attempting to prevent this type of error.

The discussed theories of human behavior and motivation do not appear to provide very solid foundations for the notion of ethical consumerism. A desire for a good reputation, rooted in indirect reciprocity, can motivate some forms of ethical purchasing as means of "virtue signaling" but those are likely limited to publicly visible, recognizable goods. Feelings of empathy could stimulate ethical purchasing decisions, but they are far removed from an everyday shopping context. Finally, the need for self-transcendence proposed by the revisited version of Maslow's hierarchy is unlikely to affect enough people to have a sufficient impact, and may be constrained by the content of ethical beliefs.

An online survey was purposefully designed to avoid social desirability bias. Its results indicate that in contrast to earlier perceived reliable studies, business ethics do not directly influence the increased ethical consumption behavior of consumers. Only 10% of respondents from developing countries and 17% of subjects from developed nations displayed some form of ethical considerations in their purchasing decisions.

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Appendix 1 Shopping Survey

1 INTRODUCTION

The concept of ethical consumerism proposes that certain business practices and products are ethically bad because they contribute to worker exploitation, animal abuse, and destruction of the environment, and that consumers can solve those issues by purchasing ethical products, not implicated into aforementioned issues (Ethical Consumer 2016). But do customers care enough to actually do so?

Numerous studies have shown that consumers want to buy ethical products. According to the leading British research company Ipsos MORI (2014), 51% of financial customers in United Kingdom are likely to consider switching their provider in case of ethical concerns. One of the largest environmental surveys in the world (Tandberg 2007) revealed that over half of global consumers would prefer to buy products and services from companies with a good environmental reputation. In Finnish studies, a majority of respondents claim that business ethics influence their purchasing behaviors (Uusitalo & Oksanen 2004, 217) and that they have often actualized ethical thinking in their clothing purchasing decisions (Niinimäki 2010, 7). Concern for ethical problems is visible even in developing nations like Bangladesh, where environmental issues and animal welfare appear to be considered very seriously in the purchasing process of cosmetics (Pervin, Ranchhod & Wilman 2014, 69).

The results of the research seem to be confirmed by the real life success examples of Fairtrade, The Body Shop, and Toyota Prius. It appears that being a “good” company can really attract customers. Is that really the truth, though?

There is the other side of the ethical consumerism coin. The market share of ethical products is much lower than what could be expected based on the enthusiastic attitudes (Davies 2012, 38). Studies find inconsistencies between stated ethical attitudes and actual willingness to pay (Auger & Devinney 2007;

Vogel 2005). It is obvious that customers take into consideration also other factors like price, quality, convenience, and brand familiarity (De Pelsmacker, Driesen, & Rayp 2005, 364). In case of some product categories, like fine jewelry, ethical considerations are not a part of most people's decision process at all (Moraes, Carrigan, Bosangit, Ferreira & McGrath 2015, 12). Even consumption of Fairtrade coffee is not necessarily motivated by ethical intentions but rather by misguided association with health and well-being (Davies & Gutsche 2016, 13). Furthermore, Prius' success seems to be strongly linked with a conspicuous conservation effect (Iyer & Soberman 2016, 728), which means that consumers may choose this particular car not necessarily due to a genuine concern about harmful emissions but rather because they want to appear as environmentally friendly to others. Finally, the growth of The Body Shop has pretty much stalled since the takeover by L'Oréal in 2006 (L'Oréal 2007-2016).

Many consumers claim that they care about ethical issues and that they take them into consideration during purchasing decisions. However, ultimately it seems that customers fail to act accordingly in stores. This inability to realize stated ethical intentions drew the attention of academics and practitioners. They recognized this phenomenon as the ethical consumption attitude – behavior gap and try to find its explanation. (Carrington, Neville & Whitwell 2014; Szmigin, Carrigan & McEachern 2009; Auger & Devinney 2007; Chatzidakis, Hibbert & Smith 2007; Belk, Devinney & Eckhardt 2005; Carrigan & Attalla 2001.)

The most straightforward approach to the problem suggests that the perceived attitude – behavior gap is, at least to some degree, a consequence of research limitations attributed mostly to the social desirability bias (Auger & Devinney, 2007; De Pelsmacker et al. 2005; Carrigan & Attalla, 2001). Such bias makes respondents more likely to answer survey questions in a socially acceptable way, which in this context leads to overstating ethical attitudes and intentions (Randall & Fernandes 2013, 173-174). In other words, people may simply not care about business ethics as much as they claim.

A somewhat opposite approach avoids questioning the validity of enthusiastic ethical attitudes stated by respondents. According to those explanations people indeed really want to engage in ethical consumption; however, their noble intentions get somehow disrupted somewhere on the way to the registers. This happens because various internal and external factors are likely to inhibit the translation of ethical attitudes into ethical purchase behaviors. For example, consumption habits can put people in a state of autopilot, and situational elements can cause stress, inconvenience, or distraction. (Carrington et al. 2014; Carrington et al. 2010; Shaw & Shiu 2003.)

In addition, researchers suggest that consumers developed strategies which allow them to rationalize and justify purchasing unethical products. Those strategies enable customers to repeat unethical shopping decisions without feeling guilty, despite inconsistencies of such behavior with their own ethical beliefs. The most prominent examples of rationalizations used by consumers include for example the denial of responsibility ("it is not my fault that this company is unethical") or denial of injury ("I am not hurting anyone by just simply shopping"). (Chatzidakis et al. 2007.)

It is important to remember that due to globalization, modern consumers, especially those from developed countries, are far removed from unethical business practices and therefore do not personally experience the negative consequences of wrongdoings in production processes. Quite the opposite, certain malpractices may be related to cost cuttings, which could make products more affordable. In addition, ethical purchasing decisions have some personal costs because, at the very least, they limit available options and require an effort of extra attention and consideration. For those reasons it is sensible to recognize that ethical purchasing decisions are a form of altruistic behavior, understood as performing an action which carries some cost while bringing benefit to someone else (Nowak & Sigmund 2005, 1291). Forcing a change through wallet voting as proposed by the movement of ethical consumerism requires therefore large scale, repetitive displays of altruism (Ethical Consumer, 2016). But are there any solid grounds to expect that?

Following the aforementioned explanations, the purpose of this thesis is twofold. Firstly, I would like to bring a seemingly new perspective into this research field by setting it in a broader context of sociobiology and psychology. I am going to explore evolutionary theories behind altruistic behaviors such as kin and multilevel selection, direct and indirect reciprocity, and the phenomenon of empathy as well as the motivational theories of Freud, Herzberg, and Maslow. I want to find out whether any of them can provide some foundations for the altruistic behavior required by the idea of ethical consumerism. Secondly, I hope to provide a more accurate view of the role that ethical considerations play in the consumers' purchasing decisions. As noted above, overall, research limitations have been recognized as a possible explanation of the attitude – behavior gap; however, their impact seems to be underestimated (Carrington, Zwick & Neville 2016, 25).

By drawing upon a varied body of research findings (e.g. Davies & Gutsche 2016; Moraes et al. 2015; Randall & Fernandes 2013; Auger & Devinney 2007; Belk et al. 2005; De Pelsmacker et al. 2005; Carrigan & Attala 2001; King & Bruner 2000) I posit that social desirability bias seems to debunk a vast majority of published studies supporting the viability of ethical consumerism. Following these key underpinnings, my research aims to provide a novel perspective in this field of study. This assertion is supported by the fact that I am incorporating methodological measures minimizing the effect of social desirability bias to contribute towards providing more viable results.

As aforementioned, research shows that the majority of consumers display ethical shopping intentions (Ipsos MORI 2014; Niinimäki 2010; Tandberg 2007; Uusitalo & Oksanen 2004), but those positive attitudes do not necessarily align with the actual purchasing behavior (Carrington et al. 2014; Szmigin et al. 2009; Auger & Devinney 2007; Chatzidakis et al. 2007; Belk et al. 2005; Carrigan & Attalla 2001). This thesis attempts to shed some light on the reasons for that apparent contradiction, which could be beneficial for companies, ethical organizations, and consumers. Practitioners, especially those who consider introducing ethical products to the market, should be interested in getting a proper

view of a role that business ethics plays in consumer purchasing behavior. Such knowledge may assist them to compete effectively within their markets. Ethical organizations could benefit because a better understanding of consumers' ethical attitudes may help them reevaluate their current strategies and develop new, possibly more effective approaches. Finally, consumers could gain a better understanding of their own motivations and behaviors. This knowledge may help them deal with possible feelings of remorse, and give a better chance to act according to their values.

2 ETHICAL CONSUMERISM AND SOCIOBIOLOGY

2.1 Why sociobiology?

Sociobiology, a branch of evolutionary biology, is the systematic study of biological basis of all social behavior (Wilson 1998, 4). Darwin's theory of evolution serves as one of the most fundamental tools used by scientists involved in this field (Alcock 2001, 10).

The importance of considering evolutionary theory in any discussions concerning widely understood humanity was perhaps the most emphatically expressed by Simpson (1966, 472):

"The question 'What is man?' is probably the most profound that can be asked by man. It has always been central to any system of philosophy or of theology. We know that it was being asked by the most learned humans 2,000 years ago, and it is just possible that it was being asked by the most brilliant *australopithecines* 2 million years ago. The point I want to make now is that all attempts to answer that question before 1859 are worthless and that we will be better off if we ignore them completely."

The above statement may seem very bold and provocative, but Simpson does have a point and is certainly not alone in his opinion. For example, Richard Dawkins (2006, 267) agrees that all pre-Darwinian answers to the fundamental questions about human nature are simply just plain wrong. In a similar spirit, it may be reasonable to seriously question the validity of any post-Darwinian attempts to explain fundamental aspects of our nature, which approach the matter as if *On the Origin of Species* has never been published.

As discussed earlier, ethical consumerism is a clear form of altruistic behavior. At the same time, one of the main conclusions that we can draw from the theory of evolution is that all creatures which evolved by natural selection, including humans, should be expected to act selfishly, and any signs of altruistic behavior should be considered puzzling and in need of explanations (Dawkins 2006, 4). This evident contradiction highlights the importance of reviewing the fundamentals of ethical consumption in the light of evolutionary theories of behavior.

2.2 How to explain altruistic behavior?

As already noted in the introduction, behavior can be considered altruistic if performing it carries some cost but at the same time brings a benefit to someone else (Nowak & Sigmund 2005, 1291). It presents a challenging puzzle for scientists because it seems to completely contradict the idea of “survival of the fittest”. Altruism should not be a stable evolutionary strategy because any altruistic population could be invaded and abused by non-cooperating, selfish cheaters. (West, Gardner & Griffin 2006, 482.) In the words of Richard D. Alexander (1987, 3): “Ethics, morality, human conduct, and the human psyche are to be understood only if societies are seen as collections of individuals seeking their own self-interest.” Natural selection favors selfish individuals who are focused to maximize their own benefits at the expense of others (Nowak & Sigmund 2005, 1291). However, we are surrounded by countless examples of unselfish, altruistic behaviors. How is that possible?

2.2.1 Kin selection, reciprocal altruism, and multilevel selection

Kin selection theory explains altruistic behaviors between relatives. The reasoning here is simple: when we help our close relative, we still help to pass on our own genes, even if in this case we do so indirectly. (West et al. 2006, 482.)

The principle behind reciprocal altruism is equally straightforward: “you scratch my back, and I will scratch yours”. We behave altruistically towards non-kin when we can realistically expect that they will return a favor in the future. Good memory and the ability to recognize individuals are crucial to avoid cheaters, and it just so happens that humans are very well equipped in both. There is also a good reason to believe that many of our psychological characteristics, for example sympathy, gratitude, envy, and guilt are a result of natural selection for an improved ability to cheat, avoid being considered a cheater, and detect cheaters. (Dawkins 2006, 187-188.)

Multilevel selection theory is quite controversial because it proposes that not only individual bodies, but also entire groups can be considered as “vehicles” for the natural selection. Just like individuals, groups also compete with each other and any group-advantageous traits developed by its members will help their evolutionary success. Groups of cooperators should easily outperform non-cooperative groups; however, they will face the danger of abuse from the cheaters within them. There are two opposite forces at play here. The altruistic behavior within a group is promoted by selection in favor of groups with more cooperators. However, at the same time selfish behavior is favored by selection against cooperators within groups, because in a group of cooperators, it is the cheaters who benefit the most. (O’Gorman, Sheldon & Wilson 2008, 17-18.)

As aforementioned, group cooperation depends on a balance between two conflicting mechanisms, namely: selection in favor of cooperating groups and selection against cooperators within groups. The concept of strong reciprocity

(Gintis 2000) may provide an explanation on how cooperation within a group can be sustained even when that balance becomes upset. The theory proposes the existence of individuals who, perhaps by maladaptation, employ less than optimal strategies. Firstly, they do not exploit cooperators. Secondly, rather than simply ignore selfish individuals, they are determined to punish them, even at a personal cost. This controversial idea is supported by results of game theory experiments, for example the “ultimatum game” (Gintis, Bowles, Boyd & Fehr 2003, 157-159). Strong reciprocity could have emerged during difficult times like war or famine, whereby basic reciprocal altruism may easily fail to support cooperation (Gintis 2000).

At its essence, ethical consumption is a form of altruistic behavior towards non-relatives, who are not a part of a consumer’s group, and who cannot be expected to reciprocate. As such, ethical purchasing behavior does not find support within the evolutionary theories presented above. On the contrary, tenets within those theories strongly contradict the idea of a benevolent consumer.

2.2.2 Empathy

Empathy is an ability to understand feelings experienced by other people. It covers emotions like happiness or sadness, as well as sensory states like pain, touch, or tickling. (Singer, Seymour, O’Doherty, Kaube, Dolan & Frith 2004). Studies on empathy bring very consistent results. They show that representatives of many species, as well as humans, are disturbed by others’ distress, and take actions to terminate it, even if it may involve putting themselves in danger. (Preston & de Waal 2001, 1.)

Richard Dawkins (2013) offers a possible explanation of the puzzling, from the evolutionary standpoint, phenomenon that people experience empathy even towards complete strangers, who cannot be expected to reciprocate. He states

that our behavior is not guided by complicated cognitive evaluations but rather by very simple rules imprinted in our brains by natural selection. An example of such a simple rule for a bird may be to take care of little squeaky things in its nest. In our case, we used to live in small communities that consisted of family members and people that we met repeatedly, and therefore had plenty of opportunities to reciprocate acts of altruism. As a consequence, a simple rule of our behavior could become “be helpful to everyone you meet”. Things changed. Nowadays, we live in big cities. We constantly meet strangers who will never have opportunity to reciprocate but the imprinted in our brains rule does not know that and still propels us to help everyone in need. Quite similarly, an imperative rule to “be lustful towards members of opposite sex” does not work anymore due to the use of contraceptives but we still do feel the lust. Dawkins concludes that one could say that we still “feel the lust to help”. When we see someone crying, we feel almost uncontrollable urge to console them. We cannot help it because that is how we were built by natural selection.

Could empathy serve as a good basis for ethical buying? It may appear so. “The 2 Euro T-Shirt” experiment (Fashion Revolution 2015) confronted customers with the reality of work conditions behind cheap clothing. The results were staggering: 90% of people decided that instead of getting an unethically produced t-shirt they would rather donate its price to a charity. This outcome showed that in certain conditions consumers may really care about business ethics and it can affect their purchasing decisions. However, the setting of the experiment was far removed from the standard shopping conditions as the everyday reality of purchasing experience is completely different. Unlike in this specific case, clothing stores do not display sad faces and heart-wrenching stories of underage seamstresses, working 16 hour days, and earning as little as 13 cents an hour. Quite the opposite – marketing materials are full of carefree, happy, enticing models. The message promoted by the authors of the experiment (“people care when they know”) suggests that it may not matter because knowledge should suffice. As much as it can be true that consumers need proper information to make efficient purchasing choices (Sproles, Geistfeld & Badenhop 1978), necessity does not imply sufficiency. Customers still need to act on the knowledge they have, and

some simply do not make ethical purchasing decisions despite being very well informed (Carrigan & Attala 2001).

The model of empathy proposed by Preston & de Waal (2001), which incorporates a majority of theories as well as empirical findings on the matter, and serves as a basis for neuroimaging studies of empathic experiences (Singer et al. 2004), strongly suggests that the outcome of the experiment was likely caused by inducing in respondents a momentary, situational affection. According to the model, the act of seeing or imagining an emotional state of another individual instinctively invokes a corresponding representation in the observer, and activates automatic and somatic responses. In all likelihood it was this mechanism and not just information that greatly influenced respondents' purchasing decisions.

In light of the above considerations it appears very likely that feelings of empathy may indeed facilitate ethical purchasing behavior. However, the fact that they need to be induced by specific stimuli which hardly ever exists in a shopping situation makes them an unlikely foundation for the notion of ethical consumerism. People may care about business ethics, but they do so when faced with the unpleasant reality of production malpractice.

2.2.3 Indirect reciprocity

The essence of indirect reciprocity can be expressed by a principle: "I scratch your back and someone else will scratch mine". According to the theory, social interactions are observed and assessed by other people, and give rise to individual reputations. Group members who do not behave altruistically are identified as selfish, and their chances of receiving favors drop significantly. This mechanism gives an incentive to act altruistically even without expecting direct reciprocation and protects cooperating individuals from being abused by free

riders. Indirect reciprocity could explain why humans display strong emotions not only towards their own interactions but also eagerly judge actions between others, as demonstrated by the content of gossip. It is plausible that indirect reciprocity had a significant role in the evolution of cooperation and communication because of its requirements for storing and transferring information. It could also explain cerebral expansion due to endless possibilities for building coalitions, manipulation, and betrayal. (Nowak & Sigmund 2005, 1291.)

The idea that the desire for a good reputation may be a driving force behind some altruistic behaviors does not seem controversial. Vaughn, DeLisi & Matto (2014) propose that one of the reasons behind charitable donations may be maintenance of social status, and the results of a study done by DellaVigna, List & Malmendier (2012) suggest that social pressure is an important factor in door-to-door fundraising. Harbaugh (1998) points out that charities use categories in their donation reports to increase contributions, and donors tend to aim at the lower brackets of those categories, which further confirms the role of reputation in altruistic behavior.

One should consider that altruistic behaviors affected by the mechanism of indirect reciprocity could differ significantly from those influenced by empathy. As previously explained, in the latter case an individual is motivated to terminate distress experienced by others. In case of indirect reciprocity, however it is the need for a good reputation that serves as a dominant motivator. As a consequence, alleviating an issue may be less important than just the appearance of undertaking altruistic actions, especially if their efficiency is not obvious. Glazer & Konrad (1996) developed a similar line of reasoning when their data showed that anonymous charity donations are quite rare. The authors of the work under a very telling title "A Signaling Explanation for Charity" went as far as to suggest that people are willing to support even those non-profit organizations which do not improve public good, as long as the donations will be widely known. This idea may appear very controversial but it could explain, at least to some degree, the success of charities that have very high costs of raising money.

In light of the above discussion it appears very possible that consumers could favor some ethical purchases over others. Ethical products that serve as more effective displays of altruism are likely to be more desirable. As Ariely, Bracha & Meier (2009) pointed out, study results show that people are more likely to act pro-socially in public rather than privately, and therefore nonvisible ecological products require more governmental support than the visible ones. In their own example, tax breaks are more needed for environmentally friendly water heaters than for environmentally friendly cars.

The idea that the visibility constitutes an important component of ethical purchases is supported by the market success of Toyota Prius. There are many manufacturers offering gas-electric cars, but almost half of all hybrids sold in North America are made by Toyota (Sorensen 2012). Researchers (Sexton & Sexton 2011) attribute this success to the unique design of Prius which makes it instantly recognizable as a hybrid, and therefore an ideal choice for customers who want to appear “green”. Delgado, Harriger, and Khanna (2015) confirm Sextons’ findings that consumers are willing to pay a premium for this particular brand because it signals environmental consciousness.

It could be very beneficial for the movement of ethical consumerism if individual desire for virtue signaling transforms into a widespread social pressure to purchase ethical products. In some areas this may be already happening. When Davies & Gutsche (2016) asked consumers of Fairtrade coffee about their motivations, some of them admitted themselves: "When all my friends order fair trade coffee, I will do the same. I do not want to exclude myself from this group of better people." "I have to buy fair trade otherwise people would look down on me." It seems that people do not have to necessarily care about business ethics to make ethical purchasing decisions.

3 ETHICAL CONSUMERISM AND THEORIES OF MOTIVATION

3.1 The role of motivation in the purchasing process

There is a large number of factors that affect purchasing behavior (Figure 1). A substantial amount of research in the field of ethical consumerism focuses on beliefs and attitudes even though those studies tend to be questionable due to methodological limitations (Auger & Devinney 2007, 377). Scholars who investigate motivational factors (e.g. Davies & Gutsche 2016; Lundblad & Davies 2016) discover that ethical consumption may be largely driven by egoistic motivations like better health or improved self-esteem. The aim of this chapter is to review the most popular psychological theories of motivation in order to examine the viability of altruistic motivations as a driving force behind ethical consumption.

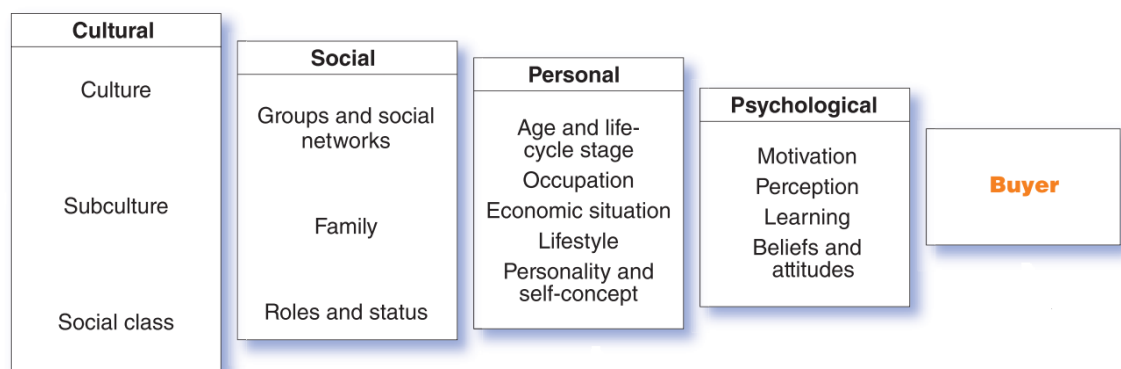


Figure 1. Factors Influencing Purchasing Behavior (Adapted from: Kotler & Armstrong, 2014).

3.2 Psychological theories of motivation

The most popular, at least in the marketing field, theories of human motivation were created by Sigmund Freud, Frederick Herzberg, and Abraham Maslow. The authors vary significantly in their approach, and therefore each of the theories has quite distinct marketing implications. (Kotler & Keller 2012, 160.)

3.2.1 Sigmund Freud

According to Freud we are not really aware of the true motives behind our actions. Our behavior is affected by unconscious thought processes and emotions related to our experiences from the childhood (Myers & Dewall 2015, 4).

Figure 2 illustrates three interacting systems of our mind: id, ego, and superego. The largest and yet completely unconscious part of our mind, id, is absolutely selfish. It seeks immediate satisfaction of our most basic drives like survival, reproduction, and aggression. Superego represents our conscience. It is our moral system that focuses on how we ought to act. Depending on our behavior, superego can evoke feelings of pride or guilt. Ego is a mediator between those two opposite forces. It takes into consideration our real world environment to reasonably reconcile the restraining superego with the impulsive id. (Myers & Dewall 2015, 573-574.)

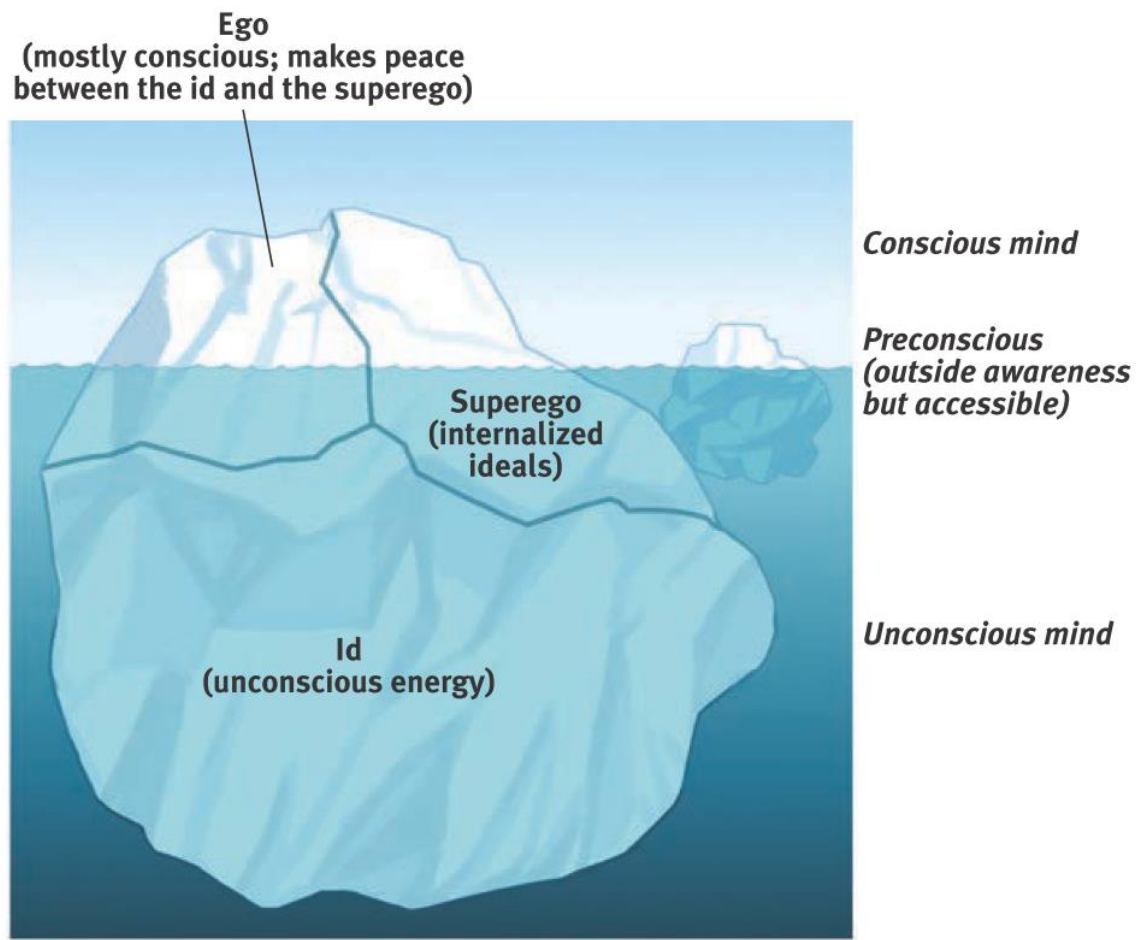


Figure 2. The mind structure according to Freud (Adapted from: Myers & Dewall, 2015).

If people are not entirely conscious of the real motivations behind their actions, then by extension consumers are not fully aware why they choose certain brands over others. On the surface customers may rationally evaluate certain product attributes during their purchasing process but underneath they also react to less conscious cues and emotional associations. Some marketers and motivation researchers continue the Freudian tradition by trying to reveal the hidden motives that unaware consumers want to satisfy. Their work is especially important for appropriate brand positioning because one product can fulfill many different needs. For example, alcohol may provide social relaxation, social status, or fun. (Kotler & Keller 2012, 160.)

On the grounds of Freud's theory a vast majority of ethical consumerism research may have very little value because frequently utilized direct survey questions

(Auger & Devinney 2007, 377) do not even attempt to uncover hidden values and desires. For this purpose researchers should utilize varied approaches such as in-depth interviews, laddering, which traces motivations from instrumental to more fundamental ones, or projective techniques, like role playing, word associations, picture interpretation, or sentence completion (Kotler & Keller 2012, 160). Unfortunately, such studies are hard to come by due to high costs and large time demands (Steinman 2009, 42).

Freud's model does not seem to be definitive when it comes to ethical purchasing behavior. On one hand ethical choices could be motivated by guilt or pride functions of the superego. On the other, the majority of motives are likely influenced by egoistical urges of the id. Freud's theory of motivation points therefore to a constant struggle between those opposing forces. For this reason the theory does not seem as a very reliable foundation for the movement of ethical consumerism. This point appears to be reinforced by Wansink (2003), who analyzed 1,200 in-depth, laddering interviews to uncover hidden motivations behind consumers buying decisions. He unveiled that at the core of most brand purchases lie only seven basic values: accomplishment, belonging, self-fulfillment, self-esteem, family, satisfaction, and security. There was no sign of desire for "righteousness" in the purchasing decision process among the respondents.

3.2.2 Frederick Herzberg

The essence of Herzberg's theory of motivation lies in the recognition that satisfaction and dissatisfaction are not opposites. They should be considered as two separate categories, each with its own set of influencing factors. The most important insight of this distinction is a realization that a lack of elements which produce satisfaction and motivation will not cause dissatisfaction. Their deficiency will simply lead to the absence of satisfaction. Analogously, factors that can generate dissatisfaction will have no effect on satisfaction. (Herzberg 1968.)

Herzberg formulated his theory in the context of work motivation, and therefore his research led him to identify the most significant factors affecting satisfaction and dissatisfaction at a workplace. Herzberg classified achievement, recognition, work itself, responsibility, advancement, and growth as factors leading to job satisfaction. Elements that could lead to work dissatisfaction included: company policy and administration, supervision, relationships with supervisors, work conditions, salary, relationships with peers, personal life, relationships with subordinates, status, and security. (Herzberg 1968.)

The essence of the separation between the categories lies in a set of needs involved. Motivational factors relate to the specifically human needs concerning psychological growth. Those needs require stimuli which can induce advancements and achievements. In a work setting this is the job content. The dissatisfiers, also known as hygiene factors, relate to the basic biological needs rooted in the animal nature of a man. At their core, they are connected to the built in drive to avoid pain from the environment. In addition, they include also learned drives, for example earning money as means to satisfy basic needs like hunger. In a work setting those factors relate mostly to the job environment. (Herzberg 1968.)

It is worth noting that according to the research results the division between motivational and hygiene factors is not absolute. For some people certain motivational elements could sometimes cause dissatisfaction, for example when they cannot perform their job well after promotion. For others, a hygiene factor like changing a supervisor may increase work satisfaction. Overall Herzberg reported that 81% of factors contributing to job satisfaction were motivators, and 69% of factors causing dissatisfaction were dissatisfiers. (Herzberg 1968.)

Even though Herzberg formulated his theory in the context of work motivation, it can also be applied into other areas. In marketing one could use similar reasoning to classify the characteristics of a product into two separate categories: satisfiers and dissatisfiers. The dissatisfiers are the issues of a product which may turn

customers away, for instance lack of user manual or poor warranty. According to Kotler & Keller (2012, 161) the presence of dissatisfiers can prevent a customer from making a purchase; however, their absence is not sufficient to motivate buying. To motivate a purchasing decision a product needs to have satisfactory elements, for example ease of use.

It appears that the distinction between purchase inhibiting and purchase facilitating factors may not always be clear. For instance, van Raaij & Wandwossen (1978) identified car safety as an example of an inhibiting factor. In their view an insufficiently safe car may cause dissatisfaction but a sufficiently safe one will not generate satisfaction. Their opinion seems reasonable in a sense that safety relates to basic human needs, but is put into serious question by the success of Volvo's brand positioning. Additional complication stems from the fact that the classification of certain attributes may depend on a particular product. For example, great taste seems to be a satisfier in case of ice cream and a dissatisfier in case of medicine.

There appear to be some decent arguments to classify the ethicality of a product as a satisfying factor. Firstly, from the practical standpoint, the earlier discussion (chapter dedicated to indirect reciprocity) of Toyota Prius' market success shows that in some cases ethicality can really facilitate purchasing decisions. Secondly, the ethicality of a product appears to go above and beyond basic biological needs and therefore could be categorized as a satisfying factor also in this more theoretical sense. On the other hand, however, boycotts of unethical products are a clear example that ethicality can be a dissatisfier and may inhibit consumption. Overall, without specific marketing studies those classifications are very speculative and unfortunately do not offer much insight into ethical attitudes and purchasing behavior.

3.2.3 Abraham Maslow

The cornerstone of Maslow's theory is the realization that some categories of human needs have priority over others. Only when the basic necessities become satisfied, new desires emerge and start directing human behavior. Maslow's main contribution was to describe and arrange those priorities as a hierarchy of needs. As illustrated in Figure 3, the physiological needs are the most fundamental. If someone is deprived of water then the feeling of thirst is going to steal his focus, and there will not be much more he can think about. When the physiological needs are met then people begin to care about safety. Next are needs of love and belonging, after that desire for self-esteem, followed by strive for self-actualization. Finally, at the top there is a need for self-transcendence, which induces a desire for external purpose and meaning. People at that level want to "further a cause" and "experience a communion" that are beyond the self. This need can be a basis for altruism but may also help to explain terrorism and religious violence. (Myers & Dewall 2015, 423; Koltko-Rivera 2006.)

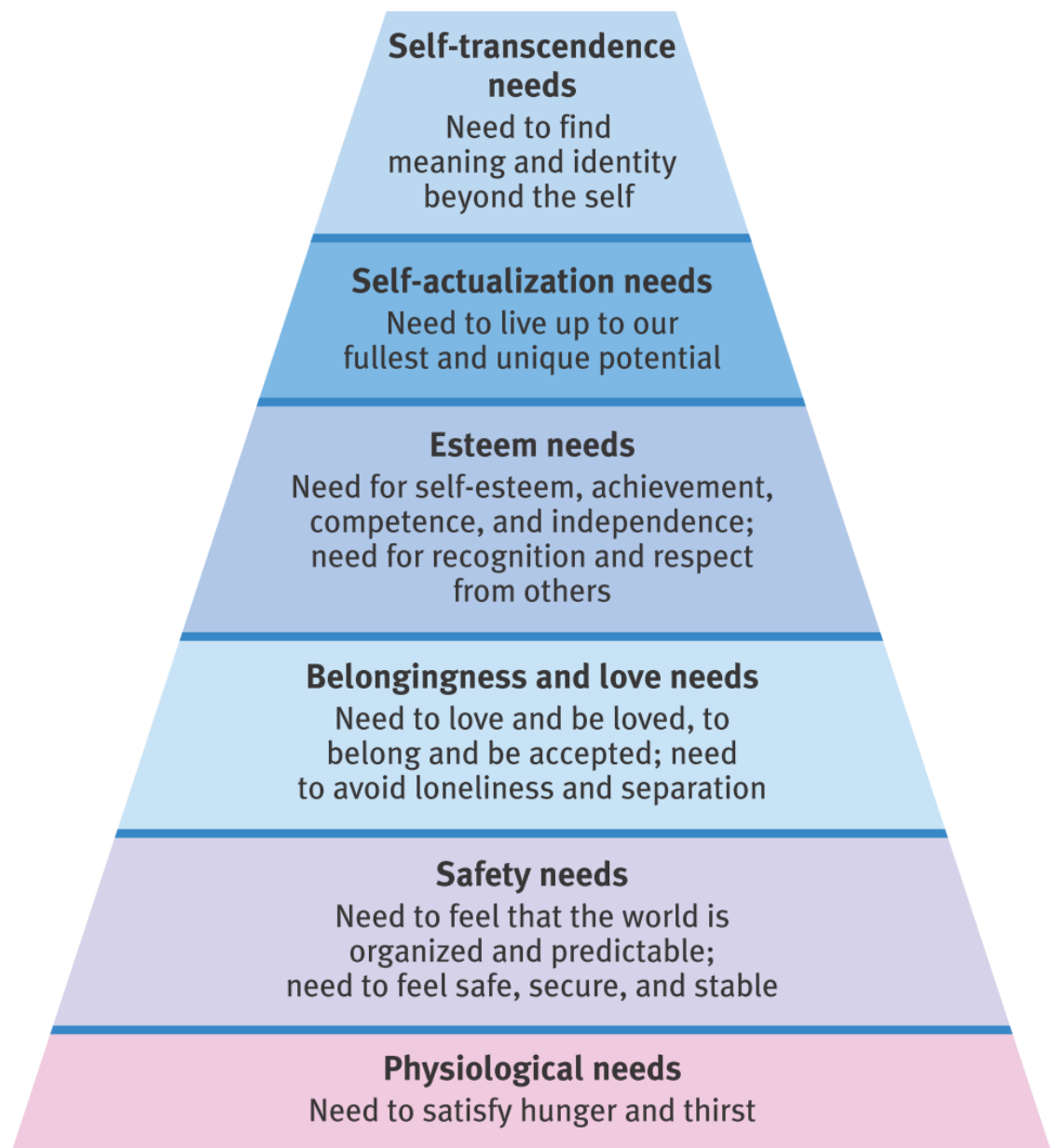


Figure 3. Maslow's hierarchy of needs (Adapted from: Myers & Dewall 2015).

The idea of self-transcendence as a need is somewhat controversial. Initially, it was not even a part of the pyramid because Maslow proposed its existence only near the end of his life. Organized psychology was quite resistant to the transpersonal changes of the theory, and as a consequence many textbooks present only its original form with self-actualization as the highest of needs. (Koltko-Rivera 2006.)

It is worth noting that Maslow's hierarchy is not absolute. For some people higher needs like self-actualization and self-transcendence seem to be the dominant motivators even when safety and survival are at risk. Examples can vary from hunger strikes to MMA fighters. Culture also plays a role, for instance in individualistic societies self-esteem needs may be much stronger than in collectivist nations. Nonetheless, Maslow's hierarchy provides a useful framework for discussions about motivation, and worldwide life-satisfaction surveys seem to support its basic premise. (Myers & Dewall 2015, 423.)

As previously mentioned, the concept of self-transcendence as a need may provide some theoretical explanation for altruistically motivated behaviors (Koltko-Rivera 2006). It suggests that some people may be less focused on their own, selfish needs, and instead display a strong, genuine internal drive to act benevolently. Even if the number of individuals who reached the top level of the pyramid is miniscule, one could argue that it may as well increase in the future as people develop and become much better at satisfying all the lower needs.

Seeley (1992) proposed that Maslow's hierarchy of needs may serve as a basis for an economic model of consumer behavior. According to the model, purchasing decisions are motivated by the currently dominant need, for example hunger at the physiological level. If an "aspiration boundary" – a certain minimal amount of satisfaction – is reached then the needs from a level above in the hierarchy start to activate and begin to also influence consumption. Eventually a consumer may reach a "satiation boundary", when a lower need is fully satisfied and ceases to motivate completely.

Seeley's model suggests that even people at the top level of the pyramid may still make some purchasing decisions based on lower, selfish needs, if they did not reach the satiation boundary. On the other hand, individuals who did not yet achieve self-transcendence are likely to already make some ethical purchasing choices if they reached the aspiration boundary of the self-actualization need.

An idea that the need of self-transcendence could constitute a motivational drive behind ethical consumption has an important caveat: there are various methods of satisfying needs. Altruistic drives may be as well expressed by volunteering work or charitable donations. It seems possible that the role of consumption in satisfying needs may diminish as an individual progresses towards the top of the pyramid. Lundblad & Davies (2016) found that ethical consumers actively want to limit their consumption which could pose a significant challenge for ethical brands.

One other important consideration is the problem of the content of ethical beliefs. It seems plausible that people who reach self-transcendence may have varying ethical values which can influence their altruistic behaviors. As a consequence certain aspects of ethical consumerism may receive more attention than others. For example, some consumers may become very committed to purchasing only ethically produced clothes but at the same time do not see anything wrong with eating meat.

It is worth noting that also lower, self-centered levels of the pyramid can probably motivate some forms of ethical purchasing. For example, needs of belonging and esteem could make some people susceptible to social pressure and potentially lead to ethical purchases similar to those motivated by reputational desires caused by the principle of indirect reciprocity. Earlier quoted examples from the Davies & Gutsche (2016) study, such as "I have to buy fair trade otherwise people would look down on me " seem particularly relevant.

4 SOCIAL DESIRABILITY BIAS IN RESEARCH

4.1 What is social desirability bias?

Social desirability bias is a tendency of respondents to present themselves in the most socially desirable way. Individuals tend to deny attitudes, traits, or behaviors that are socially undesirable, and overly admit the socially desirable ones. The bias may moderate, mask, or falsely correlate relationships between variables. (Randall & Fernandes 2013, 173-174.)

Social desirability has two independent dimensions. It can be viewed as a personality characteristic or as an item characteristic. The personality characteristic dimension is often described as a need for social approval and includes two distinct factors: self-deception and impression management. Self-deception is an unconscious tendency of individuals to see themselves in an overly positive light to protect self-esteem. Impression management on the other hand is a conscious and purposeful misrepresentation of oneself to form a positive impression. Social desirability viewed as an item characteristic focuses on the fact that some responses are perceived as much more socially desirable than others. Studies showed that individuals consistently present themselves as having traits they consider socially desirable and choose more socially desirable answers. (Randall & Fernandes 2013, 174-176.) It is worth noting that the item desirability shows much more significant impact on self-reported ethical behavior than a conscious or unconscious need for social approval. (Randall & Fernandes 2013, 184.)

4.2 Why focus on social desirability bias?

Social desirability bias is one of the most common and pervasive sources of research errors, especially in studies regarding consumer behavior (King & Bruner 2000, 81-82). In addition, the ethical nature of research makes it particularly vulnerable to such bias and multiplies its threat to the validity of the findings (Randall & Fernandes 2013, 173).

Social desirability bias has been consistently neglected even though its nature has been well recognized and described. There are methods to identify it, test for it, and avoid it. Researchers should strive to recognize its potential sources, take measures against it, and evaluate the validity of collected data. (King & Bruner 2000, 80, 97).

Even large research companies such as British Ipsos MORI (2014) do not seem concerned with social desirability bias in their ethical purchasing behavior studies. The threat has been acknowledged and addressed by certain academic researchers, for example Auger & Devinney (2007), but even some of those who are willing to recognize the danger tend to seriously neglect or outright dismiss its possible impact. For example, Niinimäki (2010, 7) brings up the threat that consumers may tend to overstate their ethical attitudes but immediately dismisses such danger simply stating that “the results in this study indicate a rational approach to the respondent’s own attitude and behavior in consumption”. Carrington et al. (2016, 25) goes so far as to say that doubting consumers’ ethical attitudes on the basis of research bias is a superficial approach to the matter. In such a context it seems particularly important to put social desirability bias at the center of attention in ethical consumer behavior studies so that the collected data could be more trustworthy.

4.3 How to avoid social desirability bias?

Self-reporting, sensitive topics, lack of anonymity or expectations towards research consequences can all increase presence of social desirability bias. Fortunately, there are methods which help to minimize or even eliminate its harmful effects. (King & Bruner 2000, 94.)

Firstly, attention should be paid to scale selection. Certain content scale items correlate very heavily with social desirability and therefore should be avoided. Researchers may use preexisting content scales that have been examined for social desirability bias, but even those are far from foolproof. Next, during the instrument construction process, researchers should avoid phrasings which may provide cues regarding their expectations. As discussed earlier, certain items can easily elicit socially desirable responses even if an individual does not have a prevailing tendency to answer in a socially desirable way. One can also try to minimize bias by using neutral measures, forcing respondents to choose between answers that are equally desirable, or making sure that content is more important than social desirability. A randomized response method which allows respondents to keep privacy and projective techniques like indirect questioning are also used. It is rather obvious that an instrument administration should give subjects full anonymity. If that is not possible other measures can be employed like a fake lie detector or simply warning respondents that the truthfulness of their answers will be tested. Large social distance between interviewer and subjects is also more likely to induce honest responses. Finally, suspicious data can be validated by statistical control techniques. Administering social desirability scales to respondents allows researchers to identify and eliminate subjects whose answers are most likely to distort results. (King & Bruner 2000, 94-96.)

4.4 Examples of questions inducing social desirability bias

The content of the research questions should require a lot of thought and attention because it is much more likely to induce social desirability bias than respondents' own propensity to present themselves in a positive light (Randall & Fernandes 2013, 184). To illustrate the need for a special approach to ethical consumerism research below are presented some example survey questions used in previous studies.

Uusitalo (2004) asked: "How important do you think is that firms follow an ethical code of practice?" Respondents could choose between: very important / rather important / rather unimportant / very unimportant."

Ipsos Mori (2014) asked "How likely or unlikely would you be to consider switching from your main financial provider if you have reason to believe that your main financial provider's financial activities (e.g. lending, insuring) contributes to harmful social activities, such as human rights abuses, child labour and forced labour?" Possible answers included: very likely / fairly likely / neither likely nor unlikely / not very likely / not at all likely / don't know.

A very large environmental study (Tandberg 2007) wanted to know whether the respondents agree with the following statement: "I would be more likely to purchase products or services from a company with a good reputation for environmental responsibility."

All of the above examples are very susceptible to social desirability bias because the content of the questions clearly signals which of the choices are most socially desirable. For this reason the validity of their findings could be seriously questioned.

5 FORMULATION OF HYPOTHESES

An examination of popular theories of behavior and motivation points out three possible sources of ethical buying decisions: feelings of empathy, creation and maintenance of social reputation, and the need for self-transcendence. None of them seemingly convinces that consumers could really care about making ethical purchasing choices. As previously discussed, feelings of empathy are unlikely to be stimulated in the shopping environment. The care about social reputation may limit ethical purchasing to just a few publicly visible products, and self-transcendence, as the highest of needs, probably is not very widespread. For those reasons I propose the first hypothesis:

H1: Consumers do not directly take into consideration ethical issues in their purchasing decision process.

Myers and Dewall (2015, 423) point out that, generally speaking, people in poorer nations tend to be concerned about the basic survival needs. In wealthier countries the fundamental needs are usually met, and therefore people focus more on the desires which are higher in the Maslow's hierarchy. This observation may lead to a reasonable suspicion that consumers in the developed countries are more likely to reach the need of self-transcendence, and as a consequence exhibit more concern about business ethics than customers from the developing nations. However, this line of reasoning is not consistent with the first hypothesis. There are several levels of higher needs which are still selfish in nature, and generally all of them would need to be resolved prior to the emergence of the highest, selfless desires (Koltko-Rivera 2006, 309). In fact, it could be argued that only a significant minority of people reaches the top of Maslow's pyramid (Koltko-Rivera 2006, 310). I propose therefore the second hypothesis:

H2: Consumers from developed nations are not necessarily more concerned about ethical issues in their purchasing decisions than consumers from developing countries.

6 METHODOLOGY

6.1 Research strategy, design, and method.

This thesis has a deductive orientation which means that it aims to test hypotheses rather than generate them. For this reason the study employs a quantitative strategy, as it is usually much better suited for the deductive approach than qualitative research (Bryman 2012, 36).

The most obvious distinction between quantitative and qualitative strategies is of course the fact that quantitative research involves the gathering of numerical data. However, the difference is much more fundamental than that. It covers the aforementioned in the previous paragraph relation between theory and research, as well as considerations of epistemological and ontological nature. The quantitative strategy commonly incorporates the practices and norms of the natural scientific model, and tends to view social reality as external and objective. (Bryman 2012, 36.)

This study aims to contrast the attitudes of consumers from developed and developing countries and therefore employs a comparative design. However, at its essence the research could be viewed as two cross-sectional studies carried on each of the groups at the same time. This is the most common design format employed by comparative research in the quantitative context (Bryman 2012, 72).

The cross-sectional format involves simultaneous data collection on more than one case. The accumulated quantitative or quantifiable data associated with the variables is used to discover patterns and relationships. There are various research methods which can be employed in the context of cross-sectional

design, for example: questionnaires, structured interviewing, structured observation, content analysis, official statistics, or diaries. (Bryman 2012, 58-59.)

The comparison between developed and developing nations requires the participation of subjects from various countries. In order to gain easy access to respondents from across the world the study uses a self-administered questionnaire in the form of a web survey.

Self-administered surveys are cheap, quick, and convenient. However, they have also several disadvantages. There is no one to assist subjects in the case of some difficulties nor to probe them to elaborate in case of open ended questions. Respondents may find a survey boring and quickly get tired of answering questions, omit some of them, or ask someone else to finish. For those reasons surveys should have a simple, attractive design, straightforward instructions, and easy to answer questions. The questionnaires should be short, and the number of open questions should be limited because they are more difficult to answer than the closed ones. In addition, a good cover letter, monetary incentives and follow ups could be also utilized to improve the response rates (Bryman 2012, 232-239.)

The use of the Internet helps immensely in the data collection process. A large number of respondents can be reached quickly. Distance is not a problem, and the whole process is very economical. Unfortunately, access to the Internet may not be universal, especially in the remote regions of developing countries. In addition, certain Internet users may lack computer skills necessary for participation. Some can view the research invitation as spam, and others may refuse to participate due to anxiety regarding fraud or hackers. (Bryman 2012, 658.)

6.2 Research instrument

The study was conducted via an online survey to allow easy access to respondents from around the world. As shown in Chapter 4 the content of the survey is extremely important. For that reason extra precautions were taken in an attempt to eliminate the threat of social desirability bias. Respondents were unaware that they participate in an ethical research. Neither the topic of the study nor its content contained any ethical references. To enhance the study's validity, its underlying purpose was intentionally made anonymous to the respondents. Hence, it was allayed to them that they were participating in a regular consumer-based purchasing behavior study. Questions were phrased broadly, and answers were unrestricted to avoid bias from scales. Participants had no way of inferring desirable responses, and there was nothing that could induce feelings of empathy.

Here are the four questions used:

1. What do you take into consideration when buying coffee? Please list all the factors that are important to you.
2. What do you take into consideration when buying shampoo? Please list all the factors that are important to you.
3. What do you take into consideration when buying clothes? Please list all the factors that are important to you.
4. What do you take into consideration when planning to buy a car? Please list all the factors that are important to you.

Various product categories were used to represent a broad spectrum of ethical issues. The question about coffee allowed respondents to express their possible concern about working conditions and support for Fairtrade. A car purchase could induce considerations about environmental impact, and the shampoo question could elicit worries regarding animal testing. An inquiry about dietary choices was considered as a better indicator of animal welfare concerns, but ultimately avoided because it did not really fit the pattern. Finally, an answer to the clothing

question allowed expressing all of the following ethical factors: concern about working conditions, animal welfare considerations in terms of materials used, and environmental worries in the form of support for the slow fashion movement.

The questions were open-ended, but the responses were fairly easily quantifiable. Any kind of ethical considerations expressed in any of the answers classified a respondent as an ethically minded consumer.

In addition, the survey included four background questions about age, gender, nationality, and education. There was no real incentive for respondents, so the survey was kept as short as possible. The survey is available in Appendix 1.

6.3 Pilot tests

Two pilot tests were performed prior to the study. The first one exposed a rather significant issue: the received responses were very brief, and it seemed that participants did not give much consideration to their answers.

The initial survey employed in the first test used a simpler pattern for the open ended questions: "What do you consider when buying X?" To improve the quality of responses the phrase "Please list all the factors that are important to you." was added after each question. The second pilot test verified that this simple addition significantly improved the length and quality of responses.

6.4 Sampling and implementation

In the initial research plan the United Kingdom was chosen as a representative of a developed state and India and Nigeria as representatives of developing nations. The countries were selected because of their large pool of English speakers. Due to the very poor response rate the study was expanded. Ultimately, the developed group was represented by Denmark, Finland, Germany, Norway, Sweden, the United Kingdom, Australia, Canada, and the United States of America. The developing nations included: Algeria, Egypt, Ghana, Kenya, Mali, Morocco, South Africa, Tunisia, and Uganda from Africa; Argentina, Bolivia, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela from Latin America; and India, Russia, and Turkey from a broadly-viewed Asia.

Due to limited resources the use of a probability sample was not feasible. Instead, the research uses quota sampling as an attempt to reflect the population in a couple of key categories such as type of nation and gender. The study aimed to collect 100 responses for each group of countries which was achieved after the aforementioned expansion. Despite efforts it was not possible to apply the quotas in the case of age and nationality as the access to older people was difficult and the response rate poor.

It is worth pointing out that quota samples are commonly used in commercial research, for example in marketing studies, and some practitioners even claim that quota samples may be almost as good as probability samples (Bryman 2012, 201-204). However, in view of academics even an accurate quota sample cannot be representative and often results in biases like under-representing people from lower social class (Bryman 2012, 201-204).

The survey was conducted 12-16 November 2016. It targeted participants of the international community Interpals.net – a large and popular website geared mainly towards foreign language practice and finding friends at travel

destinations. The website was chosen because it allowed fairly easy access to a large number of people from around the world. It should be noted that people who engage in language learning and international friendships may be higher on Maslow's hierarchy than the general population, especially in case of developing countries. This could lead to selection bias, with a possibly increased likelihood of finding individuals at least somewhat engaged in ethical consumption.

Members of Interpals.com who appeared as active in a given moment were individually approached with a simple message asking whether they would participate in a short shopping study. Those who agreed received links to the survey.

6.5 Analysis

As mentioned earlier respondents were identified as ethically minded if at least one of their answers contained some form of ethical considerations. Certain cases could be open to interpretation, so for the sake of clarity here is a short list of deciding factors used in this work.

Rules of interpretation:

- Ethical considerations do not have to be necessarily valid to count. It is the intention that matters in this case. For example, one of the respondents wants to help the environment by assuring that his clothes contain cotton.
- Ethical considerations do not have to be well explained to count as long as they are clearly selfless. For example, just a single word "animals" in case of shampoo or a confusing phrase used by one of the respondents "do not prevent animals" for clothing.

- The considerations which could be helpful for some ethical causes do not count if they are most likely selfish. Clear examples here are “fuel efficiency” in case of car purchase or “durability” for clothing.
- Fairtrade counts, organic does not.

This could be the most controversial rule. Fairtrade counts because its primary objective is to improve livelihood of workers and farmers. Organic does not count because one of its main selling points are personal benefits to the buyer.

6.6 Reliability and validity

The reliability of research is concerned with the consistency of its measures. It can be viewed as stability, internal reliability, and inter-observer consistency. Stability means that a study should bring similar results when administered to a group again at a later time. Internal reliability is concerned with the consistency of the indicators demonstrated by coherence of the answers given by the participants. Finally, inter-observer consistency deals with the involvement of subjective judgments of researchers and possible inconsistencies in their decisions. (Bryman 2012, 201-169.)

The stability of this study was not evaluated. The time and effort required for the process would likely be much better utilized by conducting a research which addresses some of the limitations of this study. Internal reliability was not tested, but the research may suffer from at least one potential source of incoherencies: the context of specific product categories used to elicit ethical concerns may vary in relevancy for some respondents. For instance, the subjects who do not drink coffee are likely to find this category completely irrelevant. Similarly, people who never thought about buying a car are unlikely to provide a valid representation of their considerations in this case. Those issues may produce some degree of inconsistency in the responses of certain ethically minded individuals. Lastly,

inter-observer consistency issues are avoided because only one researcher was involved in this project.

Validity of research is concerned with the integrity of its conclusions. Its main types include: internal validity, external validity, ecological validity, and measurement validity. Internal validity is concerned with causal relationship between variables. In case of survey studies there is an inherent ambiguity about the direction of causal influences which makes internal validity uncertain (Bryman 2012, 176). External validity deals with the generalizability of the findings. The lack of a representative sample means that the results of this study should not be generalized, and therefore the findings lack the external validity. Ecological validity deals with establishing how closely the research relates to people's everyday lives (Bryman 2012, 179). In this case ecological validity could be doubted due to the reliance on a questionnaire, which is quite removed from common daily activities. Finally, measurement validity is concerned about whether a measure of a concept really reflects it (Bryman 2012, 170-173). In the case of this study the measurement validity was established only by the means of facial validity which relies on the intuition. However, special attention put into minimizing social desirability bias improves the confidence in the measurement validity of this work.

7 RESULTS AND DISCUSSION

The survey has been answered by 254 respondents. Incomplete responses and those submitted by expatriates were discarded, leaving 227 valid questionnaires. Developed countries account for 116 and developing nations for 111 of them. There were 120 female and 107 male participants. Figure 4 illustrates the gender distribution for each of the country groups. Figures 5 and 6 show participants of each country group by nation; Figures 7 and 8 by region.

Unfortunately, as illustrated by Figure 9, very few respondents over forty years old participated in the study. There are two reasons for that. Firstly, older people are surely less active on the Interpals.net website and on the Internet in general. Secondly, and much more importantly, older people were very cautious and did not want to access an online survey due to security concerns. They were afraid that visiting an external link may harm their computers. For that reason many of them refused to participate in the study.

Figure 10 shows the educational background of respondents. The number of subjects with a postgraduate degree seems suspiciously high, especially among those from developing countries. Over-reporting due to social desirability bias could serve as a possible explanation.

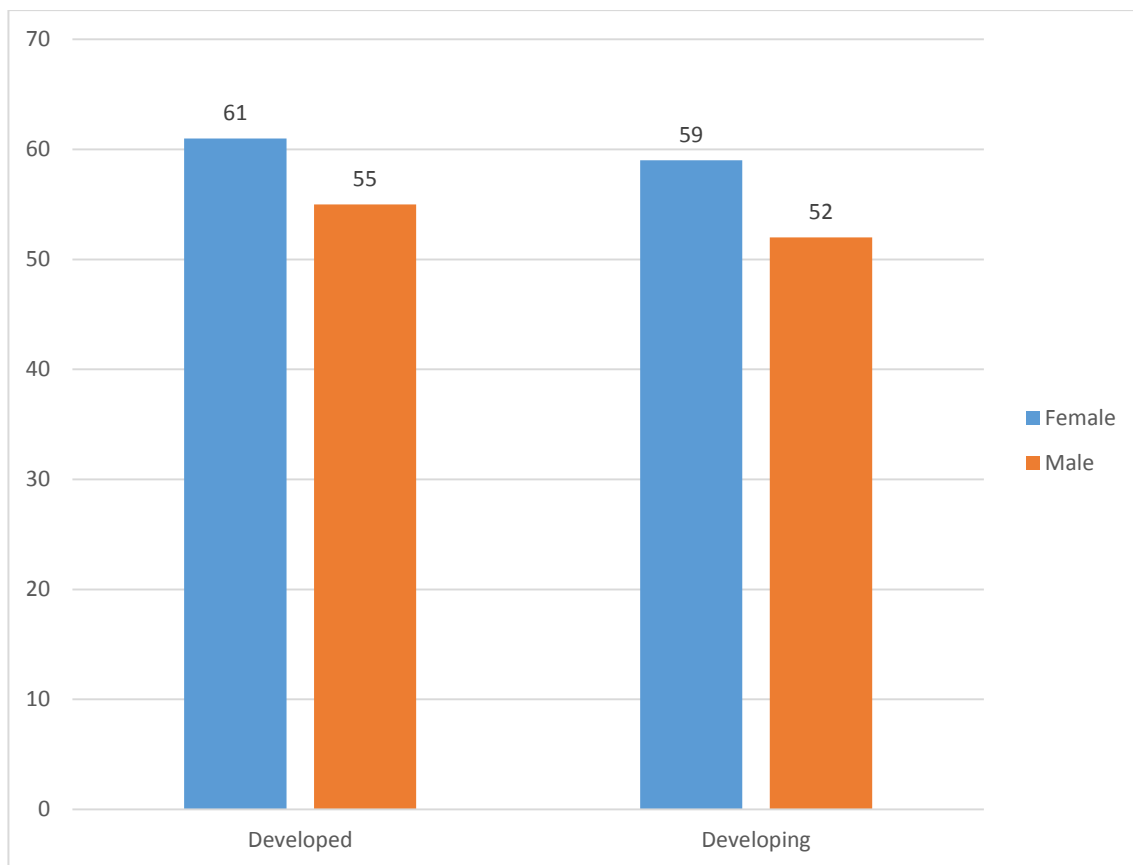


Figure 4. Types of countries by gender.

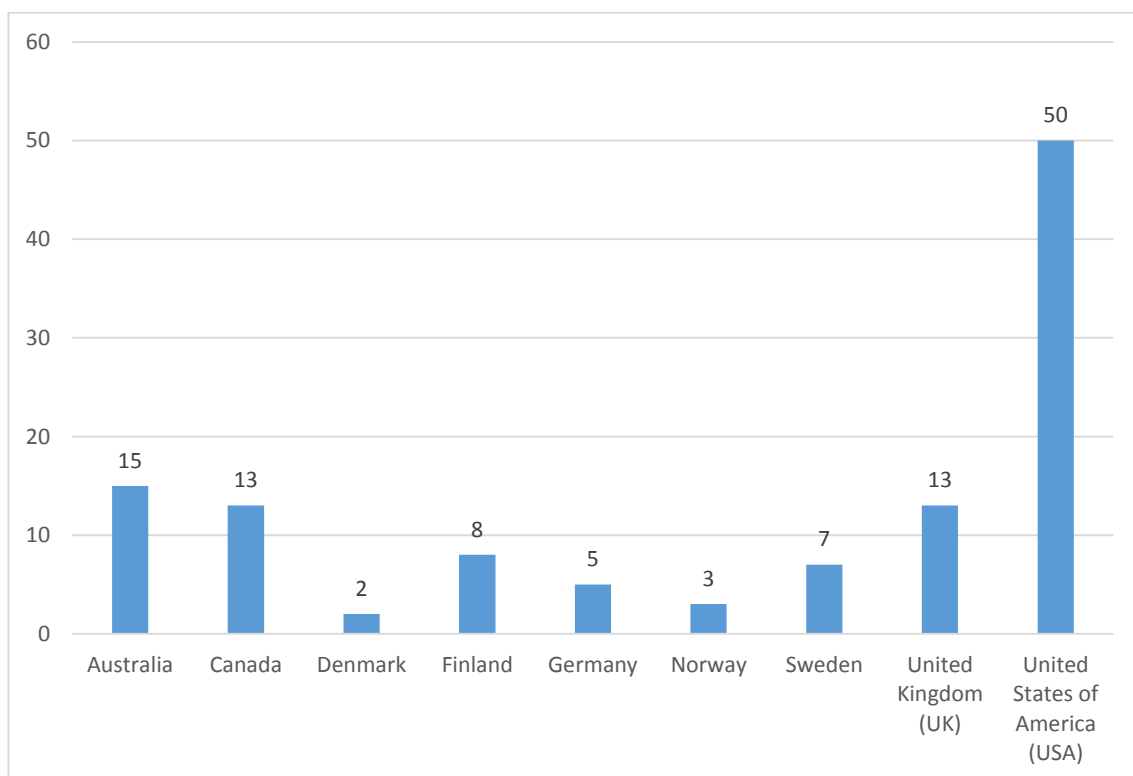


Figure 5. Participants from developed countries by nation.

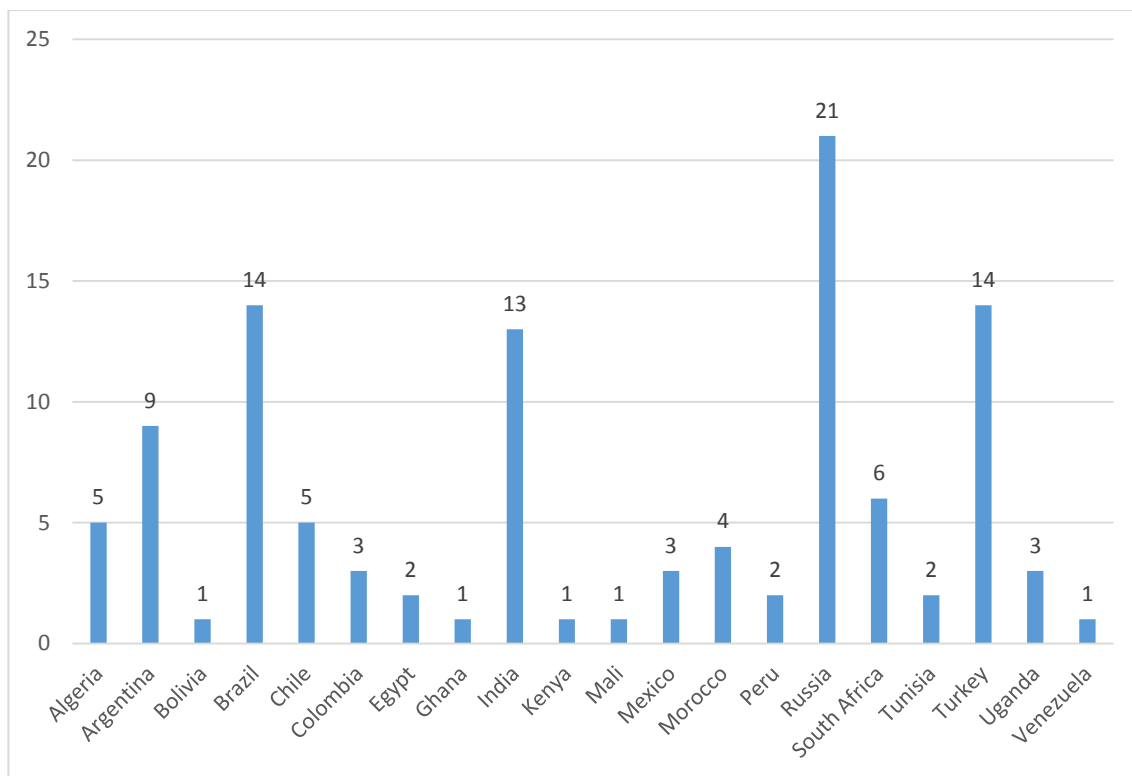


Figure 6. Participants from developing countries by nation.

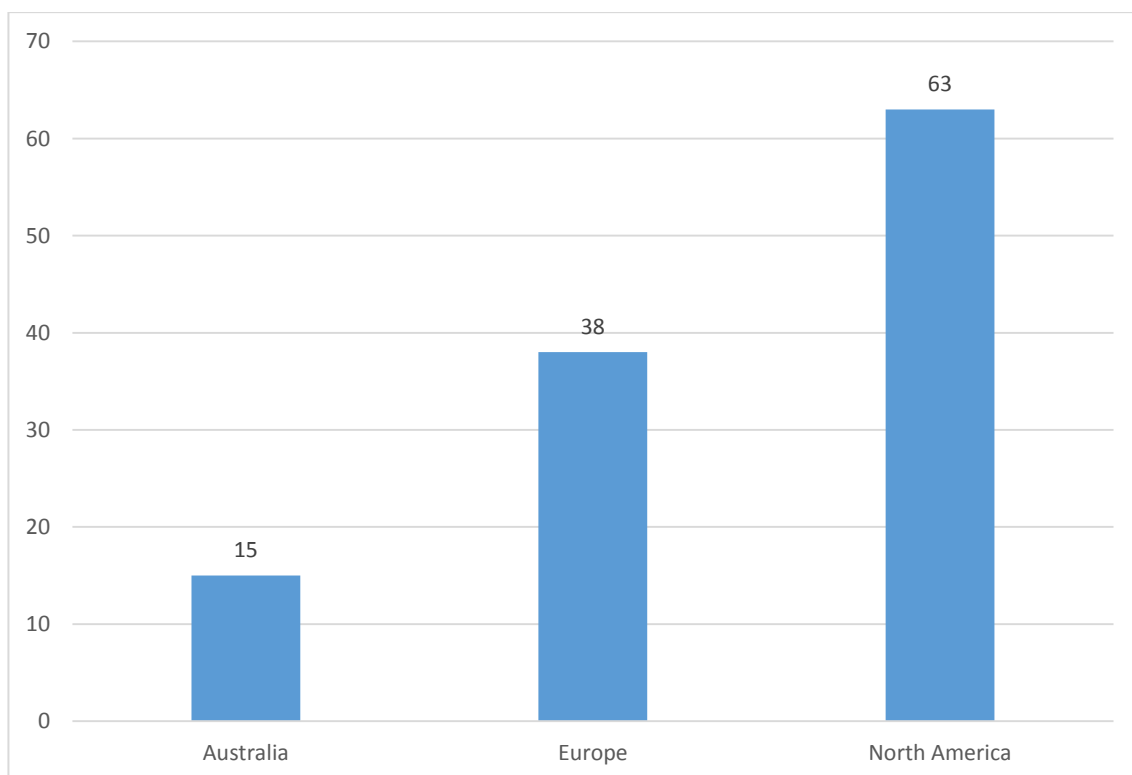


Figure 7. Participants from developed countries by region.

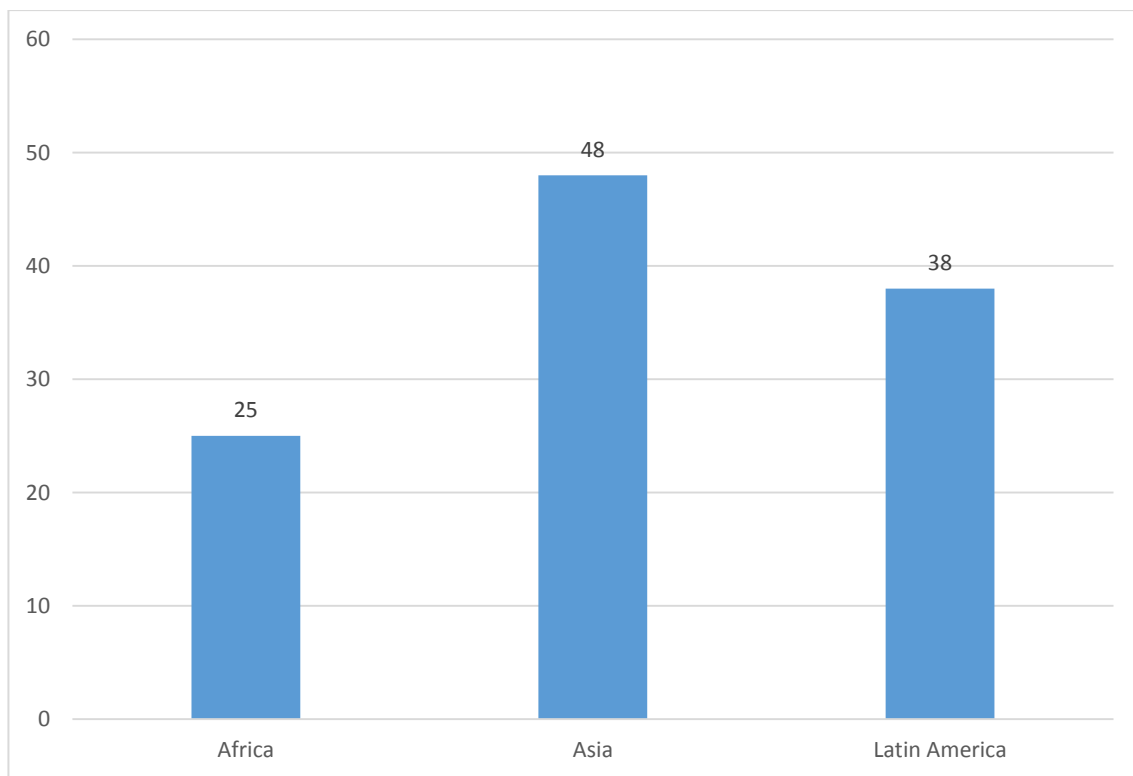


Figure 8. Participants from developing countries by region.

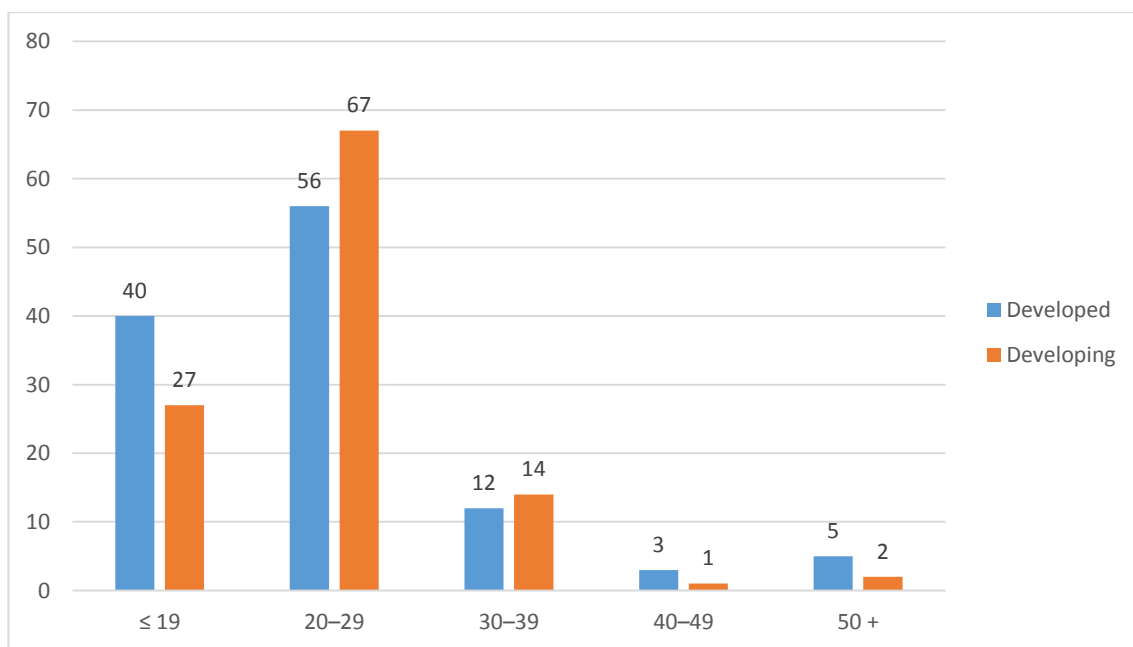


Figure 9. Age distribution.

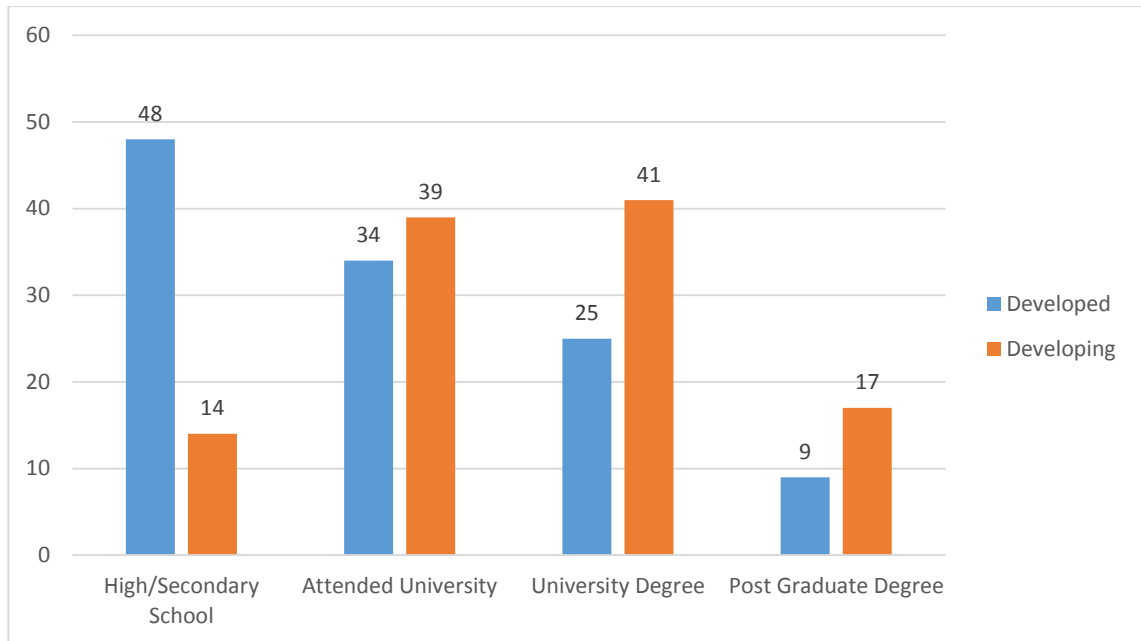


Figure 10. Education.

Out of 227 subjects, 31 (almost 14%) expressed some form of ethical considerations. Twenty of them were from developed countries and eleven from developing ones which amounts to respectively 17% and 10% of respondents, as illustrated by Figure 11. Interestingly, the same statistic is true for gender differences with ladies being the more ethically mindful ones.

As shown in Figure 12, the least number of ethical concerns were expressed by African respondents (4%), and the most by European ones (24%). It is worth noting that subjects from Latin America (16%) showed more ethical consideration than North Americans (14%) and Australians (13%). The samples are unfortunately far too small to make any meaningful conclusions, but a combined result of 40% by Nordic countries (Denmark, Finland, Norway, and Sweden) and 0% by Great Britain can certainly draw attention.

Figure 13 shows how ethical considerations are divided between particular goods. Figure 14 illustrates that most of the consumers who expressed some kind of ethical concern did so in case of only one product (8%), and neither of respondents did so for all four.

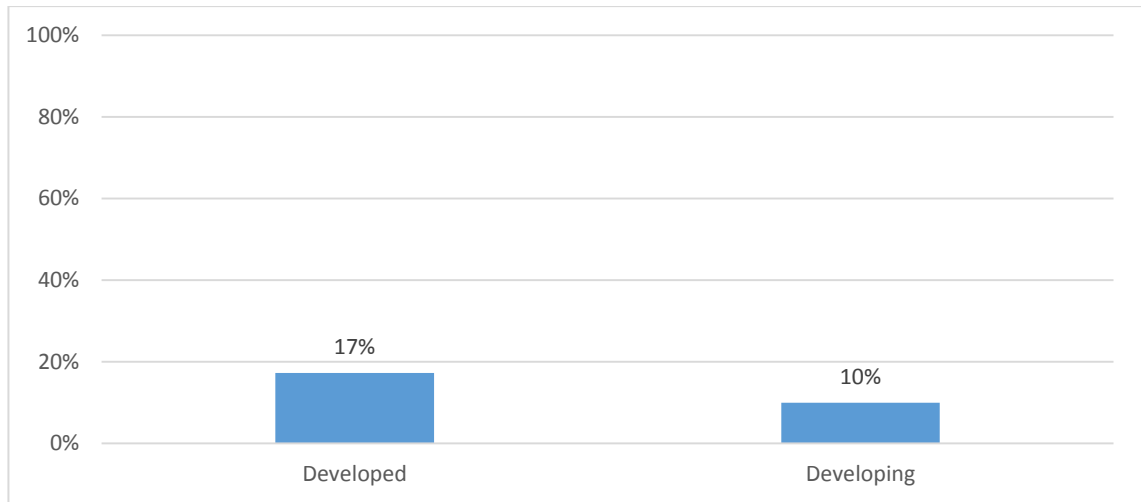


Figure 11. Percentage of consumers showing some form of ethical considerations in their purchasing decisions by country group.

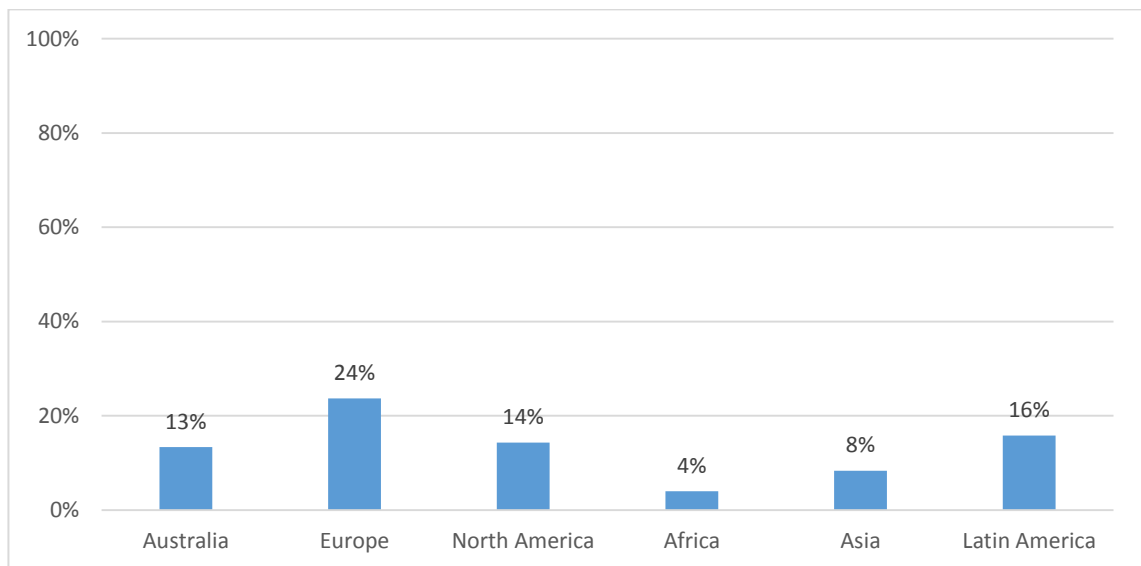


Figure 12. Percentage of consumers showing some form of ethical considerations in their purchasing decisions by region.

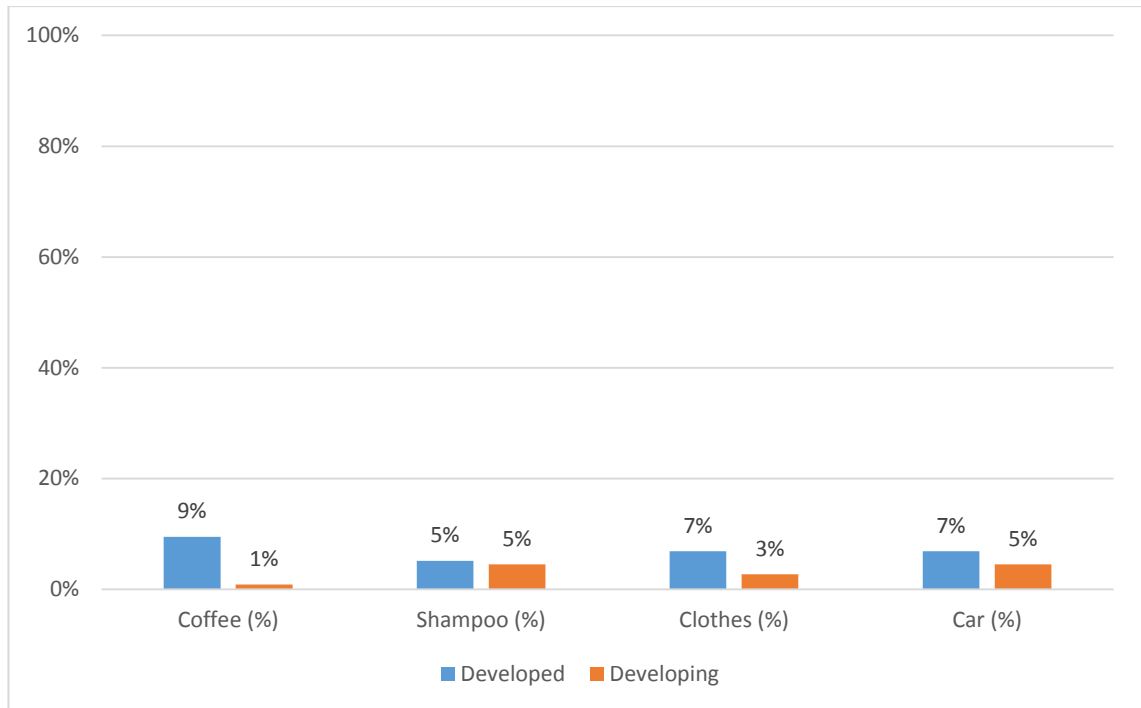


Figure 13. Ethical considerations by product and country group.

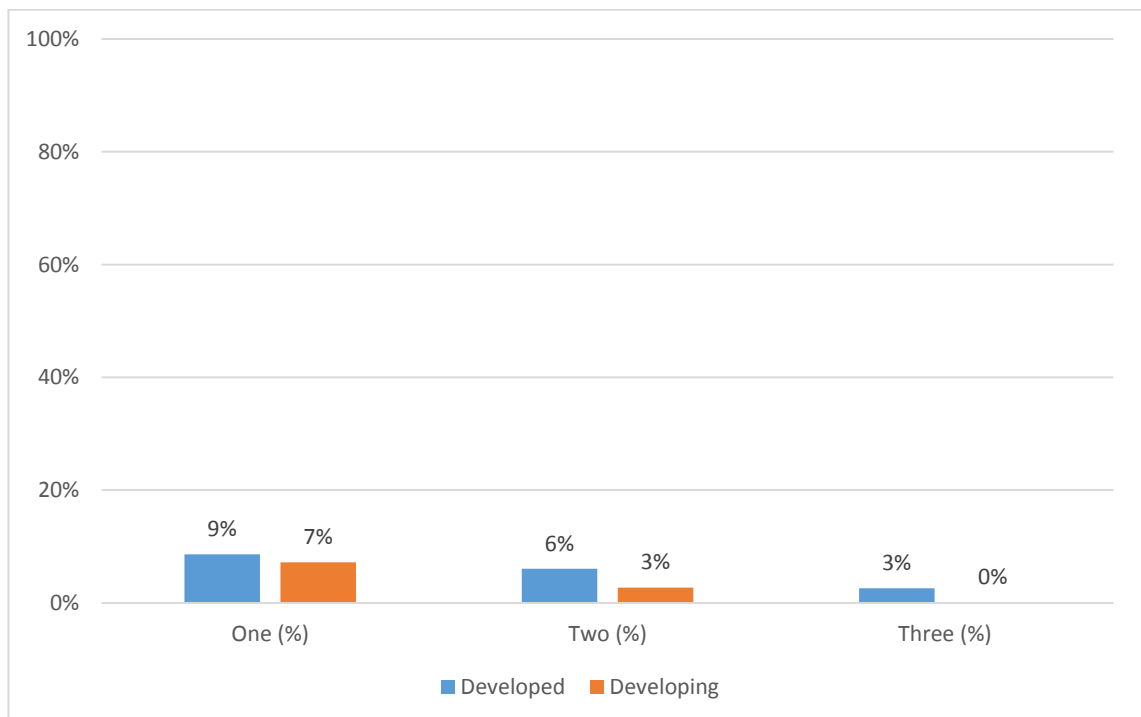


Figure 14. Percentage of respondents showing some form of ethical considerations in their purchasing decisions by number of concerning products and country group.

The purpose of the survey was to test two hypotheses:

H1: Consumers do not directly take into consideration ethical issues in their purchasing decision process.

H2: Consumers from developed nations are not necessarily more concerned about ethical issues in their purchasing decisions than consumers from developing countries.

The first hypothesis was clearly confirmed. Less than 14% of respondents overall and barely 17% of subjects from developed countries expressed any kind of ethical considerations in their purchasing decisions. It is important to note that those are just unconstrained declarations, and there is no telling how strong those beliefs are in comparison with other factors also indicated as important, like price and quality. As one of the classified as “ethical” respondents noted about his coffee preferences: “I consider the price and the quality mainly. I also appreciate knowing if it comes from ethical sources, but I can't say I am very vigilant in this regard.” One of the indicators that this lack of vigilance may be more widespread is the fact that most of the “ethical” subjects showed ethical considerations in case of just one product. Such a display of a rather narrow perspective poses a question: are respondents not aware of other ethical issues or do they just not care about them? The second variant may put into question validity of using ethical consumerism as an umbrella term. Maybe, for the most part, there are just separate entities such as “Fairtrade”, “environmentally friendly” or “vegan” consumerisms, each of them focused on its own cause and not really caring about the other?

There is a possibility that even those sobering results may be overstated due to selection bias. There was no real incentive for respondents to participate in the study so they were simply asked for help in the research. As a consequence there is a threat that people with more altruistic inclinations were more likely to participate. This risk was somewhat mitigated by the fact that the survey was short and as such did not require a lot of effort.

It is worth noting that respondents classified as ethical represented a whole spectrum of attitudes. On one end there were answers which simply included a word “hybrid” or “Fairtrade” somewhere at the end of their list. On the other, one of the subjects stated very clearly that it is the most important that clothes are produced humanly, coffee must be Fairtrade, and even shampoo has to come in a large bottle to avoid waste. Such results show that there really may exist consumers who truly care about business ethics. One just needs to remember that most likely they constitute only a small niche and as such may not be able to fulfill the premise of ethical consumerism.

The second hypothesis is unfortunately not easy to resolve based on this study. Developed countries are ahead by 7 percent points, which seems far from conclusive. It could be argued that both groups showed very low concern about ethical issues, and in that sense the hypothesis may be considered as confirmed despite the small difference. On the other hand, one could claim the exact opposite based on the fact that Africa (4%) and Asia (8%) have clearly the lowest scores, while Nordic countries (40%) left everyone else behind. This however has to be reconciled with Latin America (16%) performing better than North America (14%) and Australia (13%), not to mention Great Britain (0%). Those incongruences suggest that the connection between ethical attitudes and economic development may be more complex and involve some additional factors, possibly cultural ones. Unfortunately, the sample size is just far too small to make any comparisons between particular regions credible. It should be also taken into consideration that due to selection bias described in the methodology chapter ethical concerns are more likely to be overstated in case of developing countries.

8 CONCLUSIONS AND RECOMMENDATIONS

The field of ethical consumerism appears to have a conflicting view of consumers' ethical attitudes. On one hand researchers (Ipsos MORI 2014; Niinimäki 2010; Tandberg 2007; Uusitalo & Oksanen 2004) report very high support for ethical purchasing among customers. On the other, academics and practitioners have recognized discrepancies between stated attitudes and actual buying behavior (Carrington et al. 2014; Szmigin et al. 2009; Auger & Devinney 2007; Chatzidakis et al. 2007; Belk et al. 2005; Carrigan & Attalla 2001). Some scholars suggested that research limitations, especially social desirability bias, may lead respondents to overstate their actual ethical views (Auger & Devinney 2007; De Pelsmacker et al. 2005; Carrigan & Attalla 2001), which is in accordance with the recognition that consumer behavior and ethical studies are particularly prone to this type of error (Randall & Fernandes 2013, 173; King & Bruner 2000, 81-82).

Drawing from the above underpinnings, this work has two main goals. Firstly, it attempts to examine whether evolutionary theories of behavior and psychological theories of motivation could provide some theoretical foundations for the notion of ethical consumerism. Secondly, it tries to bring a more reliable view of consumers' ethical attitudes by aiming to minimize the disruptive effect of social desirability bias. In addition, it seeks to compare the attitudes between consumers from developed and developing countries.

8.1 Contributions

A theoretical overview of evolutionary theories of behavior and psychological theories of motivation suggests three possible sources of altruistic actions which may extend to ethical purchasing behavior: empathy, social reputation, and the

need of self-transcendence. However, neither of those sources seem to provide a solid foundation for ethical consumerism. Firstly, the feelings of empathy can propel individuals to help others in need but require stimuli incongruent with the typical shopping environment. Secondly, people who use ethical consumption to reinforce their social reputation presumably focus on publicly visible products and widely recognizable brands, with less regard for actual ethical efficiency. Finally, the need of self-transcendence is likely not widespread enough and could have limited scope due to differences in the content of ethical beliefs. For example, customers who want to act against the exploitation of workers may not worry about animal abuse or destruction of the environment.

The outcome of this study shows that most of the respondents (86%) do not particularly consider ethical issues in their buying behavior and decisions, which is consistent with the aforementioned theoretical overview. The results suggest also that the level of economic development may not have a significant influence on ethical purchasing decisions. Only 17% of subjects from developed countries expressed ethical considerations compared to the 10% from developing nations. A relatively high level of ethical concerns displayed by the respondents from the Nordic countries (40%) hints at the possible involvement of some additional, possibly cultural factors. Finally, it was observed that ethically minded consumers tend to be rather selective. The majority of them cared only about a specific moral issue linked to a single product group, which highlights the importance of the content of ethical beliefs.

Overall, the results of this research challenge the outcomes of surveys which show high ethical attitudes among consumers (Ipsos MORI 2014; Niinimäki 2010; Tandberg 2007; Uusitalo & Oksanen 2004), and support the notion that social desirability bias may have an impact on research findings in the field of ethical consumerism (Randall & Fernandes 2013; Auger & Devinney 2007; De Pelsmacker et al. 2005; Carrigan & Attalla 2001; King & Bruner 2000;).

8.2 Recommendations

The main take away for companies is that consumer demand may not be strong enough to justify introducing ethical products. In all likelihood there is only a small niche of ethically minded consumers interested in this kind of value proposition. Ethical brands may have a bigger chance of becoming successful in case of publicly visible goods, for example electric cars (Iyer & Soberman 2016; Ariely et al. 2009).

Ethical organizations which focus on promoting ethical consumption should take into consideration that relying on the righteousness of consumers to cause a change in business practices may be somewhat unrealistic. Political lobbying could be more effective as history indicates that significant social changes may need to be forced on people legislatively rather than just happen through a sudden mass enlightenment. Issues of women rights and slavery are the most prominent examples but the importance of political actions can be also seen in environmental regulations like banning leaded gasoline. Legal regulations do not necessarily have to come in the form of bans, restrictions, or punitive taxation of unethical products. The theoretical overview presented in this work suggests that maybe just a requirement of proper labeling of goods could prove to be an effective way to stimulate ethical consumption. Regulatory requirement of prominent markings on unethical products could take advantage of reputational pressures by making the morality of purchasing choices more visible to others. In addition, the use of intense graphics illustrating an ethical problem on the labels could stimulate empathy in the shopping environment which may facilitate ethical purchasing choices. Those suggestions are not unrealistic. The European Union already has a system of compulsory labeling regarding animal welfare for eggs. The use of vivid imagery on cigarette packs is required in many countries to deter people from smoking. Ethical organizations could simply lobby for combining and extending those regulations on other sensitive products.

Ethical consumers may need to realize that their purchasing choices could prove insufficient to bring large scale changes in business ethics. To increase their impact ethically minded customers may consider acting not only as consumers but also as citizens and get involved politically, as explained in the previous paragraph. Consumers who want to buy ethically but feel inhibited by various external and internal factors could try to actively seek stimuli which induce feelings of empathy. For example, they could review emotionally loaded materials prepared by ethical organizations, which could help them use empathy in planning and executing their purchasing decisions.

8.3 Some limitations and suggestions for further research

The most significant limitation of this study is the use of a small and non-representative sample. Due to difficulties with attracting a sufficient number of subjects, especially from developing nations, just 227 respondents stand for 29 different countries. The division between developed and developing states is very reductive as both of those groups are in itself very diverse. This issue may be more apparent in case of developing nations which consists of countries as different as for example Brazil, Algeria, and India but affects also the set of developed states. It is important to remember that even a single country can be very heterogeneous which in case of such a small sample size may heavily sway the results depending on how its various regions are represented in the study. Due to the small sample size any comparisons between nations are outright impossible, and contrasts between groups of countries are not reliable. For the same reason the study tries to avoid any demographic analyses.

Further limitations of this research stem from its methodology. The surveys were sent to the members of an online community Interpals.net focused on traveling, learning foreign languages, and making international friends. This allowed for a relatively easy access to a large number of people from various countries but brought at least two notable impediments. Firstly, the study includes just a few

respondents older than forty, and even people in their thirties are underrepresented. This was partially caused by the website's demographics but also by the fact that many older people were afraid to visit the link to the survey. Secondly, due to the nature of the website there is a possibility that more affluent consumers from the developing nations are overrepresented in the study. This may be an important issue because it could disrupt one of the key differentiators between respondents from developed and developing nations.

In addition, it should be noted that the process of assessing the surveys is somewhat arbitrary. Respondents are categorized as ethically minded based on their answers to the open-ended questions, and for that reason the results could vary depending on the criteria. For the sake of transparency the basic principles of this procedure are presented in the methodology section.

There is also an issue related to one of the goods selected for this study. Coffee was chosen as a popular representative of a Fairtrade product; however some of the respondents were not able to express their purchasing considerations in this case because they do not drink it.

The main suggestion for future research is to incorporate methodologies which limit the effects of social desirability bias and use large, representative samples. One possibly interesting avenue could be to verify whether consumers from Nordic nations really are more ethically minded as hinted by the results of this study. Researchers do not necessarily have to target the whole countries though. It may be easier and potentially even more useful to focus on smaller, specific markets. Studies may aim to find out whether certain segments of customers, who buy or express interest in particular products, are concerned about business ethics. Those groups of consumers could be found and targeted through the Internet on forums and fan pages dedicated to a certain good or brand, or approached in the stores (clothing, cosmetics, etc.). Researchers could survey the customers about purchasing intentions and factors influencing their decision during the shopping process as well as right after the purchase. To minimize the

effect of social desirability bias it is essential to ask open-ended questions which do not suggest the ethical nature of the study, so the subjects are unable to infer the socially desirable responses. Future studies may also try to avoid social desirability bias by being somewhat indirect. Instead of targeting consumers, researchers could incentivize shop assistants to record questions asked by clients about the products. Such data could be analyzed to unveil what really concerns the customers about the products and how it relates to business ethics. Another possibility to access more realistic consumer considerations could be to locate the aforementioned online communities, centered on specific brands or products, and analyze the content of their discussions and inquiries. Assessing the number of questions, and concerns about product's or company's ethicality could be an indicator of its importance to the clients.

There is a need for more reliable studies in the field of ethical consumerism. On one hand, research shows that people care about business ethics and want to buy ethical products (Ipsos MORI 2014; Niinimäki 2010; Tandberg 2007; Uusitalo & Oksanen 2004). On the other, it has been recognized that consumers usually do not follow up on their ethical claims at the stores (Carrington et al. 2014; Szmigin et al. 2009; Auger & Devinney 2007; Chatzidakis et al. 2007; Belk et al. 2005; Carrigan & Attalla 2001). Is it some external or internal factors that inhibit translation of ethical attitudes into ethical purchasing behavior? Or do people simply overstate their ethical attitudes in the surveys due to social desirability bias? Conclusive answers could help businesses decide whether it would be worthwhile to introduce more ethical products, and guide ethical organizations on how to more effectively convince people to engage in the ethical consumption.

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Shopping Survey

1. Age

AVAILABLE ANSWERS: ≤ 19; 20–29; 30–39; 40–49; 50 +

2. Gender Identity

AVAILABLE ANSWERS: Female, Male; Other.

3. Nationality

AVAILABLE ANSWERS: Afghanistan; Albania; Algeria; Andorra; Angola; Antigua and Barbuda; Argentina; Armenia; Australia; Austria; Azerbaijan; Bahamas ; Bahrain; Bangladesh; Barbados; Belarus; Belgium; Belize; Benin; Bhutan; Bolivia; Bosnia and Herzegovina; Botswana; Brazil; Brunei; Bulgaria; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Canada; Central African Republic (CAR); Chad; Chile; China; Colombia; Comoros; Democratic Republic of the Congo; Republic of the Congo; Costa Rica; Cote d'Ivoire ; Croatia; Cuba; Cyprus; Czech Republic; Denmark; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Equatorial Guinea; Eritrea; Estonia; Ethiopia; Fiji; Finland; France; Gabon; Gambia; Georgia; Germany; Ghana; Greece; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti ; Honduras; Hungary; Iceland; India; Indonesia; Iran; Iraq; Ireland; Israel; Italy; Jamaica; Japan; Jordan; Kazakhstan; Kenya; Kiribati; Kosovo; Kuwait; Kyrgyzstan; Laos; Latvia; Lebanon; Lesotho; Liberia; Libya; Liechtenstein; Lithuania; Luxembourg; Macedonia; Madagascar ; Malawi; Malaysia; Maldives; Mali; Malta; Marshall Islands; Mauritania; Mauritius; Mexico; Micronesia; Moldova; Monaco; Mongolia; Montenegro; Morocco; Mozambique; Myanmar (Burma); Namibia; Nauru; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; North Korea; Norway; Oman; Pakistan; Palau ; Palestine; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Romania; Russia; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; San Marino; Sao Tome and Principe; Saudi Arabia; Senegal; Serbia; Seychelles; Sierra Leone; Singapore; Slovakia; Slovenia; Solomon Islands; Somalia; South Africa; South Korea ; South Sudan; Spain; Sri Lanka; Sudan; Suriname; Swaziland; Sweden; Switzerland; Syria; Taiwan; Tajikistan; Tanzania; Thailand; Timor-Leste; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Turkmenistan; Tuvalu; Uganda; Ukraine; United Arab Emirates (UAE); United Kingdom (UK); United States of America (USA); Uruguay; Uzbekistan; Vanuatu; Vatican City ; Venezuela; Vietnam; Yemen; Zambia; Zimbabwe

4. Education

AVAILABLE ANSWERS: No schooling completed; Elementary School; High/Secondary School; Attended University; University Degree; Post Graduate Degree;

- 5. What do you take into consideration when buying coffee?
Please list all the factors that are important to you.**

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- 6. What do you take into consideration when buying shampoo?
Please list all the factors that are important to you.**

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- 7. What do you take into consideration when buying clothes?
Please list all the factors that are important to you.**

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- 8. What do you take into consideration when buying a car?
Please list all the factors that are important to you.**

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